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DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-884]

Certain Hot-Rolled Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review, 2016

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that Hyundai Steel Co., Ltd. (Hyundai Steel) and POSCO, producers and/or exporters of certain hot-rolled steel flat products (hot-rolled steel) from the Republic of Korea (Korea), received countervailable subsidies during the period of review (POR), August 12, 2016 through December 31, 2016.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Kabir Archuleta, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2593.

SUPPLEMENTARY INFORMATION

Background

On November 6, 2018, Commerce published the *Preliminary Results* of this administrative review.¹ On December 18, 2018, Commerce postponed the final results of review

¹ See *Certain Hot-Rolled Steel Flat Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review*, 2016, 83 FR 55517 (November 6, 2018) (*Preliminary Results*), and accompanying

by 58 days until May 3, 2019.² Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018 through the resumption of operations on January 29, 2019.³ Accordingly, the revised deadline for these final results is June 12, 2019.

On March 4, 2019, Nucor Corporation (Nucor) submitted pre-verification comments on the record of this administrative review.⁴ Between March 7, 2019 and March 12, 2019, we conducted verifications of the questionnaire responses submitted by Hyundai Steel Co., Ltd. (Hyundai Steel) and POSCO. We released verification reports on April 9, 2019.⁵

On April 19, 2019, Nucor, POSCO, and Hyundai Steel submitted timely case briefs.⁶ Each also submitted timely rebuttal briefs on April 24, 2019.⁷

Commerce conducted this review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

Decision Memorandum (Preliminary Decision Memorandum).

² See Memorandum, “Extension of Deadline for Final Results of Countervailing Duty Administrative Review,” dated December 18, 2018.

³ See Memorandum to the Record from Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive duties of the Assistant Secretary for Enforcement and Compliance, “Deadlines Affected by the Partial Shutdown of the Federal Government,” dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

⁴ See Nucor’s Letter, “Pre-Verification Comments,” dated March 4, 2019.

⁵ See Memoranda, “Verification of the Questionnaire Responses of Hyundai Steel Company” (April 9, 2019) (Hyundai Steel VR); “Verification of Questionnaire Responses of POSCO, POSCO Daewoo Corporation, POSCO Chemtech, and POSCO M-Tech” (April 9, 2019).

⁶ See Nucor’s Case Brief, “Case Brief,” dated April 19, 2019; see also POSCO’s Case Brief, “POSCO’s Letter,” dated April 19, 2019; Hyundai Steel’s Case Brief, “Hyundai Steel Case Brief,” dated April 19, 2019.

⁷ See Nucor’s Rebuttal Brief, “Rebuttal Brief,” dated April 24, 2019; POSCO’s Rebuttal Brief, “POSCO’s Letter,” dated April 24, 2019; Hyundai Steel’s Rebuttal Brief, “Hyundai Steel Rebuttal Brief,” dated April 24, 2019.

Scope of the Order

The merchandise covered by the order is certain hot-rolled steel flat products. For a complete description of the scope of the order, *see* attachment to the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised in interested parties' case briefs are addressed in the Issues and Decision Memorandum. The issues are identified in the Appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and is available to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Changes Since the Preliminary Results

Based on the comments received from the interested parties and information received from Hyundai Steel after the *Preliminary Results*, we made changes to the net subsidy rates calculated for the mandatory respondents. For a discussion of these issues, *see* the Issues and Decision Memorandum.

Companies Not Selected for Individual Review

For the companies not selected for individual review, because the rates calculated for Hyundai Steel and POSCO were above *de minimis* and not based entirely on facts available, we

applied a subsidy rate based on a weighted-average of the subsidy rates calculated for Hyundai Steel and POSCO using publicly ranged sales data submitted by the respondents. This is consistent with the methodology that we would use in an investigation to establish the all-others rate, pursuant to section 705(c)(5)(A) of the Act.

Final Results of Administrative Review

We determine that, for the period of August 12, 2016 through December 31, 2016, the following total estimated net countervailable subsidy rates exist:

Company	Subsidy Rate (percent <i>ad valorem</i>)
POSCO	0.55
Hyundai Steel Co., Ltd.	0.58
DCE Inc.	0.56
Dong Chuel America Inc.	0.56
Dongbu Steel Co., Ltd.	0.56
Dongkuk Industries Co., Ltd.	0.56
Hyewon Sni Corporation (H.S.I.)	0.56
Soon Hong Trading Co., Ltd.	0.56
Sung-A Steel Co., Ltd.	0.56

Disclosure

Commerce intends to disclose the calculations performed for these final results of review within five days of the date of publication of this notice in the *Federal Register*, in accordance with 19 CFR 351.224(b).

Assessment Rate

Pursuant to 19 CFR 351.212(b)(2), Commerce intends to issue appropriate instructions to U.S. Customs and Border Protection (CBP) 15 days after publication of the final results of this review. We will instruct CBP to liquidate shipments of subject merchandise produced and/or exported by the companies listed above, entered, or withdrawn from warehouse for consumption, from August 12, 2016 through December 31, 2016, at the *ad valorem* rates listed above.

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the notice of final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for the companies listed in these final results will be equal to the subsidy rates established in the final results of this review; (2) for all non-reviewed firms, we will instruct CBP to continue to collect cash deposits at the most-recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification Regarding Administrative Protective Order

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order is hereby

requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

These final results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 C.F.R. 351.221(b)(5).

Dated: June 11, 2019.

Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
 - II. Background
 - III. Scope of the Order
 - IV. Period of Review
 - V. Subsidies Valuation Information
 - VI. Use of Facts Otherwise Available
 - VII. Analysis of Programs
 - VIII. Discussion of Comments
 - Comment 1: Whether Commerce Should Apply Adverse Facts Available (AFA) for POSCO and Hyundai Steel's Failure to Retain AUL Records for Acquired Companies
 - Comment 2: Whether POSCO Energy is POSCO's Cross-Owned Input Supplier
 - Comment 3: Whether to Treat POSCO Chemtech's Deferred Tax Liabilities Under Restriction of Special Taxation Act (RSTA) Article 9 as an Interest-Free Contingent Liability Loan
 - Comment 4: Which of POSCO's Reported Benchmark Loans to Use as Benchmarks for POSCO's KEXIM Loans
 - Comment 5: Whether POSCO's Equipment Loans from the KDB are Covered by the Previously Countervailed Program "Korea Development Bank (KDB) and Other Policy Banks' Short-Term Discounted Loans for Export Receivables"
 - Comment 6: Whether to Use the GOK Short-Term Bond Interest Rate or IMF Statistic as a Short-Term Interest Rate Benchmark for POSCO's Short-Term KDB Loans
 - Comment 7: Various Alleged Errors in the Preliminary Calculations for POSCO
 - Comment 8: Whether Hyundai Green Power is Hyundai Steel's Cross-Owned Input Supplier
 - Comment 9: Whether Commerce Should Countervail Benefits Received by SPP Yulchon Energy
 - Comment 10: Whether Suncheon Harbor Usage Fee Exemptions Under the Harbor Act are Countervailable
 - IX. Recommendation
- [FR Doc. 2019-12991 Filed: 6/18/2019 8:45 am; Publication Date: 6/19/2019]